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Letters

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Consumer counsel backs competition in cable-TV industry

The Office of Consumer Counsel shares the Republican-American's desire for competition in the cable-television industry, but the newspaper appears to have misread a new law and recent federal court ruling relating to AT&T (July 31 editorial, "Blow to consumers").

Rather than lowering costs to consumers, the new law actually raises them by increasing the gross-receipts tax paid by satellite and cable-television customers from 5 percent to 5.5 percent. And rather than encouraging competition, the law actually lessens it by allowing AT&T to cherry-pick what it has repeatedly described as "high-value" customers, redlining entire communities and leaving much of the state with no choice. And were there any doubt the law was designed with a special interest in mind, the \$338 million property-tax giveaway to AT&T should erase it.

The federal court recognized AT&T is not really seeking a shot at providing video services in a truly competitive market, but rather a competitive edge in the form of special regulatory treatment by the Department of Public Utility Control. The court found AT&T's service is no different from video provided by any cable company and should be treated accordingly.

The Office of Consumer Counsel always has advocated for competition to lower prices and improve service quality, and we thus welcome AT&T into Connecticut's cable-television market. But the company must abide by the same rules as its competitors.

As public officials, our role in markets is to ensure a level playing field so consumers get the benefits of true competition, not tilt the field in favor of one company or another. The federal court got it right.

We urge AT&T to take this opportunity to set aside its investment in litigating and lobbying, and spend its money on bringing new and improved video services to all Connecticut consumers.

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